Electronic Version v1.1 Stylesheet Version v1.1

SUBMISSION TYPE: **NEW ASSIGNMENT** NATURE OF CONVEYANCE: RELEASE BY SECURED PARTY

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
NEXBANK, SSB, as Agent		105/29/2008	TEXAS STATE SAVINGS BANK:

RECEIVING PARTY DATA

Name:	MARCAL PAPER MILLS, INC.
Street Address:	1 Market Street
City:	Elmwood Park
State/Country:	NEW JERSEY
Postal Code:	07407
Entity Type:	CORPORATION: NEW JERSEY

PROPERTY NUMBERS Total: 47

Number	Word Mark
2122948	KAOFIN
2523832	KAO-CLEAN
1089580	WORK FORCE
1551844	ASPEN
2305579	AT HOME & IN THE OFFICE
1027037	BELLA
0861511	BELLA
1672586	BUY THE BUNDLE
1414918	BY THE BUNDLE
0833704	CAMELLIA
0847872	CAMELLIA
1634789	DRAW AND STORE
1412269	EASY REACH
1505884	EMPIRE TRADEMARK
	2122948 2523832 1089580 1551844 2305579 1027037 0861511 1672586 1414918 0833704 0847872 1634789 1412269

REEL: 003786 FRAME: 0423

Registration Number:	0843719	FLORENTINE	
Registration Number:	0866387	FLORENTINE	
Registration Number:	0791037	FLUFF OUT	
Registration Number:	2261398	FLUFFY	
Registration Number:	1757626	MARCALCULATE	
Registration Number:	0372674	MARCAL	
Registration Number:	0425272	MARCAL	
Registration Number:	0501134	MARCAL	
Registration Number:	0573133	MARCAL	
Registration Number:	0667115	MARCAL	
Registration Number:	0949162	MARCAL	
Registration Number:	1595334	PAPER FROM PAPER, NOT FROM TREES	
Registration Number:	2036006	PAPER FROM PAPER NOT FROM TREES 100%	
Registration Number:	1977939	PAPER FROM PAPER NOT FROM TREES 100% RECYCLED WITHOUT CHLORINE BLEACHING	
Registration Number:	1627099	PURSE 'N POCKET	
Registration Number:	2491129	QUALITY AWAY FROM HOME	
Registration Number:	1117267	SERVI-ETAS	
Registration Number:	0723888	SNOW LILY	
Registration Number:	1036445	SOFPAC	
Registration Number:	0348723	SUNRISE	
Registration Number:	1237287	SUNRISE	
Registration Number:	2010772	WORKFORCE	
Registration Number:	1087719	YELLOW ALERT	
Registration Number:	2221794	EASY REACH	
Registration Number:	1854174	ECOPAC	
Registration Number:	0309329	KITCHEN CHARM	
Registration Number:	0589555	MARCAL HANKIES	
Registration Number:	1265703	POLY-CASE	
Registration Number:	0582691	SANI-HANKS	
Registration Number:	2179159	SNAPACK	
Registration Number:	1847360	WORKFORCE	
Registration Number:	2132053	WORKFORCE	
Registration Number:	2112472	DOLLAR-WISE	

CORRESPONDENCE DATA

Fax Number: (214)200-0853

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 214.651.5665

Email: susan.myers@haynesboone.com

Correspondent Name: Haynes and Boone, LLP

Address Line 1: 901 Main Street
Address Line 2: Suite 3100

Address Line 4: Dallas, TEXAS 75202-3789

ATTORNEY DOCKET NUMBER:	37203.24	
NAME OF SUBMITTER:	Randall E. Colson	
Signature:	/Randall E. Colson/	
Date:	05/30/2008	

Total Attachments: 7

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RELEASE OF SECURITY INTEREST IN PATENTS AND TRADEMARKS

This Release of Security Interest in Patents and Trademarks Agreement (this "Agreement") is made and effective as of May 29, 2008, by Nexbank, SSB, as agent, as secured party under the Security Agreement and Assignment Agreement referenced below ("Agent").

RECITALS

WHEREAS, pursuant to that certain Security Agreement dated as of January 12, 2007, executed by Marcal Paper Mills, Inc., as debtor ("Debtor"), in favor of Agent ("Security Agreement"; capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Security Agreement), the Debtor conveyed, pledged, assigned and transferred to Agent, for the equal and ratable benefit of the Agent and DIP Lenders, a security interest in (a) the patents, applications for patents, and licenses of patents listed on Schedule A ("Scheduled Patents"), and (b) the registered trademarks and service marks, applications for registration of trademarks and service marks, and licenses of registered trademarks and service marks listed on Schedule B ("Scheduled Trademarks"), together with goodwill of the business symbolized thereby to secure the payment, performance and observance of the Secured Obligations;

WHEREAS, pursuant to that certain Payoff and Lien Assignment Letter Agreement and that certain Assignment of Liens and Security Interests, both dated as of January 12, 2007, both executed by Wachovia Bank, National Association, in its capacity as administrative agent for itself and certain other lenders as assignor ("Assignor"), in favor of Agent ("Assignment Agreements"); the Assignor assigned, conveyed, transferred and granted to Agent, for the equal and ratable benefit of the Agent and DIP Lenders, all liens and security interests granted to or otherwise held by Assignor upon any and all properties and assets of Debtor; and

WHEREAS, Agent desires to release the security interests granted under the Security Agreement and conveyed under the Assignment Agreements.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent (for itself and the ratable benefit of the DIP Lenders) hereby agrees as follows:

Release of Security Agreement

Agent (for itself and on behalf of the DIP Lenders) hereby releases the security interests granted pursuant to the Security Agreement and the Assignment Agreements, including the security interests granted in the Scheduled Patents and Scheduled Trademarks, and the goodwill symbolized thereby.

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EXECUTED as of the date first written above.

NEXBANK, SSB,

as Agent

By:

Name: Title:

Jeff Scott Vice President NexBank, SSB

Signature Page DIP IP Release

Security Interest in Patents and Trademarks

Issued Patents

Patent Description	Patent Number	Issue Date
Floor absorbent granular product	6,019,873	2/1/2000
Apparatus for making granular material	5,951,822	3/16/1999
Absorbent granular product	5,888,345	3/30/1999
Process for making granular material	5,882,480	9/15/1998
Granular material containing recycled paper components	5,807,465	9/15/1998
Process for making the absorbent granular material	5,728,270	3/17/1998

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Schedule B to Release of Security Interest in Patents and Trademarks

Trademark and Service Mark Registrations

Trademarks - Domestic

1 rademarks - Domestic			
Trademark	Registration Number		
KAOFIN	2122948		
KAO-CLEAN	2523832		
WORK FORCE	1089580		
ASPEN	1551844		
AT HOME & IN THE OFFICE	2305579		
BELLA	1027037		
BELLA	0861511		
BUY THE BUNDLE	1672586		
BY THE BUNDLE	1414918		
CAMELLIA	0833704		
CAMELLIA & DESIGN	0847872		
DRAW AND STORE	1634789		
EASY REACH	1412269		
EMPIRE	1505884		
FLORENTINE	0843719		
FLORENTINE	0866387		
FLUFF OUT	0791037		
FLUFFY	2261398		
MARCALCULATE	1757626		
			

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MARCAL	0372674
MARCAL	0425272
MARCAL	0501134
MARCAL	0573133
MARCAL	0667115
MARCAL	0949162
PAPER FROM PAPER, NOT FROM TREES	1595334
PAPER FROM PAPER NOT FROM TREES 100%	2036006
PAPER FROM PAPER NOT FROM TREES 100% RECYCLED WITHOUT CHLORINE BLEACHING	1977939
PURSE 'N POCKET	1627099
QUALITY AWAY FROM HOME	2491129
SERVI-ETAS	1117267
SNOW LILY	0723888
SOFPAC	1036445
SUNRISE	0348723
SUNRISE	1237287
WORKFORCE	2010772
YELLOW ALERT	1087719
EASY REACH	2221794
ECOPAC	1854174
KITCHEN CHARM	0309329
MARCAL HANKIES	0589555
POLY-CASE	1265703

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SANI-HANKS	0582691	
SNAPACK	2179159	
WORKFORCE	1847360	
WORKFORCE	2132053	
DOLLAR-WISE	2112472	

Trademarks - Foreign

Country	Trademark	Registration Number
CA	BELLA	378169
CA	BUY THE BUNDLE	417286
CA	BY THE BUNDLE	381,590
CA	CAMELLIA	381,934
CA	EASY REACH	379636
CA	ECO	389731
CA	ECOPAC	381681
CA	FLORENTINE	379637
CA	FLUFF-IN	380348
CA	FLUFF-OUT	381,683
MX	FLUFFY	
СН	KAOFIN	443205
MX	KAOFIN	531884
CA	KITCHEN CHARM	390043
CA	MADEIRA	391136
CA	MARCAL	UCA23213

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CA	MARCAL	UCA24270
CA	MARCAL	388605
DO	MARCAL	91987
EU	MARCAL	548339
IT	MARCAL	850490
CA	MARCAL HANKIES	381,684
CA	PAPER FROM PAPER NOT FROM TREES & DESIGN	516097
MX	PAPER FROM PAPER NOT FROM TREES & DESIGN	574204
CA	POLY-CASE	381,682
CA	PURSE 'N POCKET	398714
CA	SANI-HANKS	TMA375,950
MX	SERVICE	549431
CA	SERVI-ETAS	378168
CA	SNAPAC	381,935
CA	SNOW LILY	TMA376,940
CA	SUNRISE	378189
EU	WORKFORCE	000582668
CA	YELLOW ALERT	TMA375.949

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RECORDED: 05/30/2008